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Finance Committee

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Finance minutes 09/14/2015

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UMM Finance Committee Minutes

9.14.15

Members Present: Dennis Stewart, Michael Korth, Kerri Barnstuble, Pieranna Garavaso, Jess Larson, Mary Zosel, Jayne Blodgett, Laura Thielke, Bryan Herrmann, Jong-Min Kim, Mark Logan, Rachel Brockamp, Elsie Wilson

Members Absent:

Guests: Colleen Miller – Presenter, Melissa Bert, Melissa Wroblewski -Note Takers

Agenda:

Introductions were done again to make sure everyone has had a chance to meet all the current members of this year's Finance Committee.

1. Approval of August 31st, 2015 minutes:

No corrections or additions to the minutes. Committee approved minutes as is.

2. Discussion of Schedule for Fall 2015:

Dennis handed out a proposed schedule for the rest of Fall 2015 semester for Finance Committee agenda items. There is one date, October 26th, that is still available for an agenda item. The committee was asked for topics that they would like to be discussed.

- a. Invite Jill Beauregard to talk about student work.
- b. Invite the Dean/Roger Wareham for a discussion on Indirect Cost Recovery, Title III Grant
- c. Contingency procedures

After some discussion, it was decided that October 26th agenda would be the Title III Grant and Indirect Cost Recovery.

3. Budget 101 Discussion: (Presented by Colleen Miller)

Colleen started out by providing the committee members with two handouts: a pictorial view of the three different budgeting calendars, and then a sheet explaining the budget process.

Colleen began the discussion by stating that the fiscal year for the U of M is from July 1 to June 30. From there she went on to explain the pictorial view of the annual budget cycle from planning in the fall, to the Budget/Compact meetings in February/March, to the budget being loaded into the EFS (Enterprise Financial System) by July 1 of each year. (Website to view Budget Prep Instructions, and Budget Compact Guidelines each year: <http://finance.umn.edu/budget.html>.)

Next Colleen and Bryan Herrmann discussed Biennial Budget Cycle, which occurs on the odd fiscal years, and the Capital Budget Cycle that occurs on even number fiscal years. Bryan stated that the U of M just finished with the biennial budget in FY15 and this fiscal year, FY16, begins a new budget cycle for the capital budgeting. (Please view handouts for further information.)

There were no question on the Budget 101 section of the meeting and the committee moved on to the next topic for discussion.

4. Review of the FY16 Budget: (Presented by Colleen Miller)

Colleen handed out the 'FY16 Budget/Compact Sources and Uses of Incremental O&M Funding' to the committee to view as she explained the information on the document.

To create this worksheet, Colleen stated that she starts with the prior year's budget and builds from there on the assumptions received from budget materials. She also stated that when looking at this worksheet, it is important to know the difference between recurring and non-recurring funds, and also that any shortfall in tuition has a significant effect on the budget.

On the worksheet there are two columns, one that has the information presented at the Compact meeting, and the other column is the budget decisions received back from the Budget Office as of May 2015. You can see the difference between what UMM had asked for and what was received. For instance, what the Budget Office calls "new investments" is actually the same amount UMM asked for to cover the U Promise Scholarship and an additional \$21,000 for Utility Projects. This is not a new investment to UMM. Also, the Budget Office did not fund UMM's request for \$325,000 for an increase in UMM's merit Scholarship. It can be seen that UMM presented a structural imbalance at the Compact Meeting, requiring UMM strategizing to make up the difference and balance the budget.

Next week Colleen will come back to the committee and discuss the actual FY15 results including updates on revenue and expenses.

Meeting Adjourned.

Next meeting will be September 28th at 2:10 pm in the Moccasin Flower Room.